

Table 3. Impact of Funding Shocks on Growth: Benchmark Model, Q1 1999–Q1 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Real GDP growth rate $t-1$	0.318*** (3.803)	0.304*** (3.590)	0.267*** (2.793)	0.413*** (4.896)	0.450*** (4.992)	0.437*** (4.753)	0.347*** (2.851)	0.392*** (3.839)	0.364*** (3.037)
Policy rate $t-1$	-0.212* (-1.802)	-0.134 (-1.277)	-0.158 (-1.459)	-0.177 (-1.534)	-0.118 (-1.096)	-0.114 (-1.156)	-0.241** (-2.289)	-0.040 (-1.213)	-0.197** (-2.017)
Headline inflation t	-0.175*** (-2.708)	-0.112 (-1.435)	-0.117 (-1.536)	-0.158* (-1.767)	-0.136* (-1.942)	-0.131* (-1.711)	-0.069 (-0.907)	-0.158*** (-3.441)	-0.059 (-1.017)
Core liquidity supply shock $t-1$	0.043 (0.356)		0.165 (0.898)				0.167 (0.471)		0.162 (0.295)
Core liquidity supply shock during crisis $t-1$	-1.094*** (-2.907)		-0.697** (-2.541)				-0.941* (-1.946)		-0.476 (-0.792)
Core liquidity supply shock post crisis $t-1$	-0.836*** (-3.610)		-0.226 (-0.853)				0.437 (0.438)		-0.069 (-0.075)
Core liquidity supply shock in G4 $t-1$	0.067 (0.386)		-0.418 (-0.733)				0.188 (0.096)		-0.615 (-0.337)
Core liquidity demand shock $t-1$		-0.082 (-0.461)	-0.160 (-0.769)				-0.167 (-0.641)		-0.028 (-0.117)
Core liquidity demand shock during crisis $t-1$		-1.644*** (-4.494)	-1.525*** (-4.725)				-1.314*** (-3.681)		-1.394*** (-2.695)
Core liquidity demand shock post crisis $t-1$		1.024** (2.542)	1.194*** (3.000)				1.872 (0.972)		1.027 (0.664)
Core liquidity demand shock in G4 $t-1$		0.244** (2.157)	0.276* (1.670)				1.062 (1.091)		0.106 (0.185)
Noncore liquidity supply shock $t-1$				0.205*** (2.600)		0.198 (0.862)	-0.024 (-0.061)		0.214 (0.704)
Noncore liquidity supply shock during crisis $t-1$				0.159 (1.514)		0.011 (0.055)	-0.480 (-1.495)		-0.247 (-0.831)
Noncore liquidity supply shock post crisis $t-1$				-0.326 (-1.606)		-0.747*** (-2.959)	0.774 (0.388)		0.149 (0.079)
Noncore liquidity supply shock in G4 $t-1$				-0.180* (-1.646)		0.020 (0.046)	2.377 (0.876)		-0.438 (-0.300)
Noncore liquidity demand shock $t-1$					0.064 (0.524)	-0.101 (-0.317)	0.047 (0.222)		-0.104 (-0.359)
Noncore liquidity demand shock during crisis $t-1$					-0.836*** (-3.649)	-0.594* (-1.671)	-0.110 (-0.437)		-0.024 (-0.063)
Noncore liquidity demand shock post crisis $t-1$					-1.061* (-1.944)	-0.847* (-1.686)	0.939 (1.098)		0.729 (0.772)
Noncore liquidity demand shock in G4 $t-1$					0.224 (1.007)	0.090 (0.260)	-0.811 (-0.773)		0.206 (0.311)
External claims $t-1$								-0.011 (-1.075)	-0.009 (-0.708)
Constant	5.041*** (5.934)	4.054*** (5.264)	4.661*** (5.381)	4.061*** (4.610)	3.352*** (4.668)	3.374*** (4.265)	4.828*** (5.315)	3.517*** (6.048)	4.468*** (4.165)
Number of groups	33	33	33	33	33	33	33	34	33
Number of observations	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,331	1,192

Source: IMF World Economic Outlook, Bloomberg, BIS, Staff calculations

Note: z-statistics in parenthesis. ***, **, * denote significance at 1%, 5% and 10%, respectively. Two-step using Windmeijer standard errors.